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SUBJECT: QATAR ESTABLISHING A TOURISM NICHE

¶1. (U) Summary. The acting Director General of the Qatar Tourism Authority (QTA) told Emboffs that in developing a tourism sector, Qatar is not looking to become a mass-market destination like Dubai but is aiming to be a niche market for East to West travel. The government has dedicated USD 18 billion to the development of the tourism industry. The main limitations of this goal are limited hotel capacity and balancing new development with the conservative elements of society. QTA acknowledges that tourism will not be a major employer for Qataris because most of the eligible Qatari labor pool does not want to work in such jobs. End Summary.

QATAR'S VISION

¶2. (U) Jan Poul De Boer, acting director general of the QTA, told Emboffs February 14 that tourism is an effort to diversify Qatar's energy-dependent economy. Qatar plans to have 1.4 million tourists each year by 2012. Last year when Doha hosted the Asian Games Qatar received 870,000 tourists and in 2005, 700,000 people visited Qatar. Unlike Dubai, QTA plans to develop a niche market for educational, medical, and sports tourism along with the existing meetings, incentives, conventions, and expo travelers. De Boer envisions the typical traveler staying for 2 to 3 days. He stated that while others in the region are trying to attract tourists for resort vacations, Qatar wants visitors to come to Education City, Hamad Medical Center, or one of the many sporting and convention events and then offer additional entertainment. The QTA is using Thailand as a model for medical tourism with the hope of making Qatar a medical hub for the Middle East. Qatar is already home to the Weill-Cornell Medical School and the Hamad Medical Center and is continuing to spend massive amounts on new hospitals and other facilities.

COSTS

¶3. (U) De Boer said the government is investing USD 18 billion into tourism. There will be 2 large conventions centers, one of which is already under construction at Education City, where it should be completed by 2009, and another will be built downtown where the current Exhibition Center stands. Qatar is also developing its entertainment outlets with 4 new museums, which are expected to open in the next 3 years, and 3 new golf courses are underway. A new international airport is under construction; the first phase should be completed by 2010 and the second phase by 2012. Qatar would like to use the new airport to make Doha a gateway to the Middle East and beyond for 2.8 billion potential tourists from China and India. One of the challenges that Qatar's tourism market is facing is a shortage of hotel rooms; there are currently only 3000 hotel rooms in Qatar. There are a number of major hotel chains planning to open sites, adding 10,000 rooms to the market by

¶2010. The QTA is funded directly by the Qatari government and De Boer has no concerns about the future financial stability of this subsidized development because the Qataris "will always have money."

JOBS FOR QATARIS?

¶4. (U) Tourism has been highlighted as a method of job creation with estimates as high as 20,000 additional jobs by 2010 but De Boer told Emboffs that he expects the majority of these jobs will be filled by Eastern Europeans and other Arabs. De Boer estimated that of the 200,000 Qatari citizens, the real labor force is only about 50,000 people. De Boer said that many Qataris do not want to work in the tourism industry because they prefer "cushy" jobs in the government. He noted that Qatari women show great promise but only before they are married. QTA does offer scholarships to Qataris who want to study in the hospitality arena but many drop out of school because they don't want to continue the work.

¶5. (U) De Boer opined that Qatar's new-found wealth, enjoyed by even young Qataris, precludes any feeling of urgency to earn a living or move ahead. He noted that Qatar's top-down culture, where parents often make decisions for their children well into adulthood, makes young Qataris unable to handle responsibility. De Boer stated that young Qataris all want to be managers right away, drive a fancy car, and have low-pressure jobs with short work hours.

MAINTAINING A BALANCE

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¶6. (U) De Boer told Emboffs that it was very important to the Amir that Qatar not lose its culture at the expense of development. Qatar does not want to turn into Dubai and wants to avoid the social ills that have accompanied Dubai's development. While the general public has not voiced any concerns about the pace of progress, the QTA does not want to strain the conservative elements of society. De Boer told Emboffs this is the primary issue for Qatar's tourism sector and he is not sure how it will be resolved in the future.

COMMENT

¶7. (U) With the massive amounts of money it is spending on healthcare, education, conference centers, and hotels, it is likely that targeted tourism could work in Qatar. There is already a built-in market of business travelers from the energy sector and much room for growth in both Education City and the Hamad Medical Center. However it seems unlikely that the tourism industry will be a profitable enterprise for Qatar in the near term. Perhaps just as important is how the tourism industry will clash with Qatar's culture and how the younger generation will contribute in a meaningful way in the future to this endeavor. Thus far it appears as though Qatar is able to effectively blend the traditional with the modern but the key to changing the work ethic of young Qataris is an enigma to all.

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